

# EXHIBIT 1



September 15, 2021

VIA EMAIL

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RE: Subcontract Performance Bond No.: SU 1162164  
Obligee (Contractor): Strata Solar, LLC  
Principal (Subcontractor): Fall Line Construction, LLC  
Surety: Arch Insurance Company  
Project: Rochambeau Solar Project  
*Update – Completion of Principal's Scope of Work*

Dear Rich:

As we've discussed, as a result of Principal Fall Line Construction, LLC's ("Fall Line") default under the subcontract ("Subcontract") with Strata Solar, LLC ("Strata"), the Rochambeau Project is significantly behind schedule. Fall Line's civil scope of work is precedent scope to all other subcontractors necessary for completion of the Project, which is guaranteed to the Owner no later than November 22, 2021 (a date Strata will be unable to meet due to Fall Line's default).

Strata cannot afford to halt performance of work indefinitely, or even for another week, still awaiting the Surety's response. The Rochambeau Project is required to be placed in service by year-end at the latest. We have provided responsive documents and made the Project and Strata personnel available to the Surety for its investigation, including Monday's site visit by Surety representative Mike Hillman from Professional Construction Consulting, Inc. ("PC2"), accompanied by Fall Line's Ryan Pounds. Strata's third-party engineering consultant AES was also present for this visit.

During the site visit, Strata's Sam Sink and Andy Solomon provided PC2 with a tour of work completed by Fall Line prior to abandonment, work requiring immediate action following Fall Line's abandonment, and work remaining to be performed or remediated to complete Fall Line's scope under the Subcontract. At the time of Fall Line's abandonment 5 basins were in progress and incomplete, contributing to ongoing environmental compliance issues and impacts to wetlands. Strata retained subcontractor Town and Country to perform the immediate necessary work, on a time and materials basis, to bring the Site back into compliance with the permit. We trust the Site visit was helpful and useful in your review of the issues.

As Mr. Sink and Mr. Solomon communicated with Mr. Hillman, the Project urgently requires, and we are requesting Surety approval to proceed with, utilization of replacement subcontractors to complete Fall Line's Work. Fall Line has begun demobilizing from the site and it is my understanding during the site visit Mr. Hillman conceded to Mr. Sink and Mr. Solomon that Fall Line does not have the capability to supply the approximately 40 staff members needed to complete the Work.

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EXHIBIT

36

It would be irresponsible for Strata to continue to delay performance of civil work on the Project any longer. We are already facing significant damages not only to the Owner but also to other subcontractors (for mechanical, structural, electrical and commissioning work) who are unable to proceed without completion of Fall Line's scope. Additional delay exacerbates rather than mitigates the already-significant damages Strata faces as a result of Fall Line's default. This is simply not a project that can be extended into 2022, and Strata is responsible to the Owner for successful completion of the Project.

Strata would greatly prefer not to be in this position. We have evaluated all options to proceed with construction, including the option to potentially permit Fall Line's return. Unfortunately, Fall Line's inability to staff the Project and failure to complete Work meeting Subcontract requirements, culminating in the Owner's directive to remove Fall Line from the site, leaves no practical avenue to facilitate Fall Line's return.

While we fully understand the Surety continues to review and investigate Strata's claim on the bond, we strongly believe that there is no other practical, reasonable option at this point but to move forward with completion of Fall Line's scope with replacement subcontractors. We have previously provided the Surety with pricing and information received from potential replacement subcontractors. As you know, our competitive bids to potential replacement contractors have led Strata to shortlist Tindol and Town and Country for the majority of Fall Line's remaining scope of work. In order to complete the scope to allow subsequent subcontractors' performance and place the plant in service by year end, both replacement subcontractors will need to perform work in parallel on the site. Their scopes will likely exclude long-term maintenance, clearing and grubbing of treed acreage, temporary and permanent seeding, and storm water pollution prevention work, because we believe this work can be either self-performed by Strata or subcontracted to another party at a lower cost. We have requested pricing from ACE Seeding for temporary and permanent seeding scope. We have requested pricing from K&B Land Clearing to clear and mulch all mature growth vegetation prior to civil construction (as required by the Subcontract).

Strata is proposing moving forward with Tindol for all basin work, including diversion ditches and BMPs relating to directing flow to each basin (#s 1, 2, 3, 4, 18, 19, 20 and 21). We are proposing Town and Country perform all remaining basin rework in Zone 5 which captures basins #s 9, 10, 11, 12, 16 and 17, and also to perform basin construction work for basins #s 7 and 8. Finally, we propose that Town and Country perform all upland grading for all Zones. We have requested additional pricing from both subcontractors for basin construction work for basins #s 5 and 6 and propose awarding that work to the subcontractor with the most reasonable price and available crews.

Strata does not have final agreements with these subcontractors, and we continue to evaluate options and to negotiate pricing and schedule to best mitigate the damages caused by Fall Line's default. Below is the currently anticipated pricing which of course remains under consideration and negotiation:

|                    |                |
|--------------------|----------------|
| Tindol:            | \$1,832,448.31 |
| Town and Country:  | \$2,188,808.27 |
| ACE Seeding:       | \$212,500.00   |
| K&B Land Clearing: | \$30,000.00    |

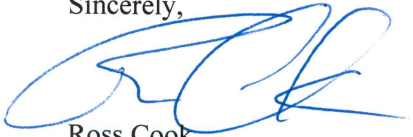
Please note the above amounts do not include Strata's costs in supplementing Fall Line's storm water pollution prevention work and do not account for acceleration or other costs that may be required to complete the Project, including costs for completion of Fall Line's civil scope of work necessary to close the land disturbance and stormwater permits and necessary to obtain notice of termination from VDEQ.

I will upload to our secure electronic file transfer a copy of the EPC agreement with the Owner, which I am providing as Confidential Information in accordance with the provisions of the Subcontract. Strata will continue to provide regular updates to the Surety.

As you can appreciate, Strata would not take these actions if they were not absolutely necessary. The Subcontract appropriately provides that time is of the essence, and that is especially true for this Project. Strata is prepared to defend our decisions in light of challenging circumstances, and we are committed to mitigating the damages resulting from Fall Line's failures.

Strata continues to reserve all damages, rights, claims, and defenses resulting from or related to the Bond, the Subcontract, and Fall Line's default. If you have any questions or would like to discuss this matter, please do not hesitate to contact me.

Sincerely,



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cc: VIA EMAIL

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